

last 3 years. In June 1992, I wrote to the General Accounting Office [GAO] to request a comprehensive study of the derivatives market. At that time, the subcommittee noted that the trading of new and complex derivative products by financial institutions and their customers had greatly increased in recent years, creating a corresponding need to assure that knowledge of how to manage and oversee the risks associated with these products was keeping pace.

The GAO derivatives study submitted on May 19, 1994, in response to the subcommittee's request, has identified some serious gaps in the current legal and regulatory structure relating to OTC derivatives.

The GAO made a number of important recommendations for reforms in the regulation of financial derivatives disclosure, financial accounting, and dealer regulation. Of particular concern to me was GAO's finding that serious gaps existed in the current legal and regulatory framework that allows derivatives dealers affiliated with securities firms or insurance companies to largely escape the type of regulations which are already in place for derivatives dealers affiliated with banks. GAO also identified potential gaps in antifraud and antimanipulation enforcement authority, and sales practice regulation. In response, the GAO recommended that this "black hole" be plugged by granting a Federal regulator, such as the Securities and Exchange Commission, appropriate authority to conduct examinations and set capital standards for these currently unregulated dealers.

The subcommittee closely examined the derivatives markets and the findings and recommendations of the GAO study in oversight hearings held on May 10, 19, 25, and July 7th of last year. Based on the information gathered in the course of these hearings and other inquiries, I have crafted a piece of legislation which would close the most glaring legal gap affecting the derivatives markets—the presence of virtually unregulated OTC derivatives dealers in the market.

This bill will close the regulatory "black hole" that has allowed derivatives dealers affiliated with securities or insurance firms to escape virtually any regulatory scrutiny. It will give the SEC the tools needed to monitor the activities of these firms, assess their impact on the financial markets, and assure appropriate protections are provided to their customers against any fraudulent or abusive activities. It is not a radical restructuring of the derivatives market; it is focused laser-like on the real gaps that exist in the current regulatory framework that need to be closed, and closed now before we have our own Barings PLC disaster right here in America.

I urge my colleagues to cosponsor and support this important legislation.

TO EXTEND A NUTRITION ASSISTANCE PROGRAM TO AMERICAN SAMOA

HON. ENI F.H. FALEOMAVAEGA

OF AMERICAN SAMOA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1995

Mr. FALEOMAVAEGA. Mr. Speaker, I rise today to introduce a bill to provide permanent funding for a nutrition program in American Samoa.

The American Samoa Nutrition Assistance Program currently in existence is funded on an annual basis out of discretionary funds from the Department of Agriculture. The national Food Stamp Program is not available in American Samoa, and the program in Samoa serves as a modified Food Stamp Program in that only the blind, severely disabled, and poor elderly are eligible for benefits. Benefits are also limited in that they vary between \$50 and \$125 per month, depending on the income of and the assets owned by the recipient.

Unfortunately, the method of annual appropriations used for American Samoa's Nutrition Assistance Program is unsatisfactory in that the level of funding, or perhaps more appropriately the existence of any funding, is subject to annual appropriations. I can see no reason why funding for the Food Stamp programs for the 50 States, the District of Columbia, and for all but one of the U.S. Territories should come from one source, and the funding for American Samoa's program should come from a different source.

Mr. Speaker, I believe American Samoa's nutrition assistance program is a model to be followed by other U.S. jurisdictions in that no benefits are available for the able-bodied. As I stated earlier, the only recipients are the poor blind, severely disabled, and the elderly. The cost of the program for fiscal year 1995 is \$5.5 million, a cost which could easily be absorbed within the multi-billion dollar contingency fund of the national program, and I urge my colleagues to join me in addressing this variance in national policy and support this bill.

Mr. Speaker, I submit the bill to be printed in the RECORD, as follows:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF NUTRITION ASSISTANCE PROGRAM TO AMERICAN SAMOA.

The first sentence of section 601(c) of Public Law 96-597 (48 U.S.C. 1469d(c)) is amended by inserting before the period at the end the following: "and the Secretary of Agriculture shall extend a nutrition assistance program conducted under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) to American Samoa".

TERESA MCGOVERN

HON. JOHN JOSEPH MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1995

Mr. MOAKLEY. Mr. Speaker, last December, Senator George McGovern's daughter, Teresa, died in Madison, Wisconsin—losing her long battle with alcoholism. Terry was a remarkable young woman who cared deeply about others and cared passionately for this country. I recall meeting her in Boston back in 1972 when her father ran for the presidency. She was intelligent, articulate and totally dedicated to making our Government reflect the very best in our Nation.

Since her death, the McGovern family has courageously talked publicly about the ravages of Terry's alcoholism and their attempt to deal with it. In an excellent article which recently appeared in Parade magazine, George McGovern eloquently and painfully describes

the impact that this disease had on his daughter and his family.

The article follows:

WHAT I LEARNED FROM MY DAUGHTER

(By George McGovern)

On the 10th day of June, 1949, my wife, Eleanor, gave birth to a 6-pound, 14-ounce baby girl, whom we named Teresa. "She's a beautiful little porcelain doll," said an admiring artist friend. We agreed that we had brought forth a creature of remarkable beauty and charm. That was the way I saw her for the next 45 years, through laughs and joys, anxieties and tears.

From the beginning, Teresa blossomed into an engaging, fun-loving, quick-witted child—a special joy in our family. She later developed a notable sense of compassion, insight and sensitivity toward others, communicating easily with people about their concerns and aspirations, disappointments and victories.

The day of Teresa's birth was hot and dry in Mitchell, S.D., the temperature around 90 degrees. Forty-five years later, on Dec. 12, 1994, the ground was covered with snow in Madison, Wis., and the temperature was far below freezing. That night, Teresa died in the snow in a lot, out of sight of passersby. "Hypothermia due to exposure while in a state of acute alcohol intoxication," read the Dane County coroner's report.

We had dreaded such a report for years. Terry's troubles seem to have started as early as high school, when she had the first indications of depression and then experimented with alcohol with teenage friends. She seemed to have been born with a vulnerability to both depression and alcoholism. To whatever extent genes influence these matters, there is a pattern of alcoholism in some of my Irish ancestry, just as there is a pattern of depression in some of Eleanor's English and Norwegian ancestry.

Terry's dependence on alcohol seemed both to enhance and to result from the depression. It was a vicious circle. When she achieved periods of sobriety she sometimes was afflicted with a depression that seemed to trigger a relapse into alcohol consumption. When doctors finally found a medication that was somewhat successful in combating her depression, the medication often would be neutralized by drinking bouts that she seemed powerless to control.

A glass or two of wine or a cocktail can be a pleasant and relaxing experience for most people. But to the 15 million or more Americans like Terry who are alcoholics, there is no such thing as a casual glass of wine. In Terry's case, she drank until she collapsed or blacked out. During her last five years, she was admitted to Madison's Tellurian detoxification center 76 times. Sometimes she checked in voluntarily. More frequently she was taken there after she had collapsed in a bar or on the street or in her home.

Terry couldn't seem to stop drinking, but she fought the addiction with tenacity for most of her life. With pressure from Eleanor and me, as well as her sisters and brother, she agreed to treatment in some of the best centers in the nation. These painstaking, sometimes expensive programs, combined with attendance at AA meetings, brought her sobriety for periods of time—days, weeks or months, and once for seven years, as she gave birth to and lovingly nurtured her daughters, Marian and Colleen, who remained the central passions of her life—except for alcohol, her hated master.

She devoured pamphlets and books on alcoholism. She searched the Bible and other spiritual sources for guidance and insight.